



## STATEMENT OF AT&T CONNECTICUT

**Regarding Raised Senate Bill No. 448  
AN ACT CONCERNING CABLE TELEVISION EQUIPMENT AND THE  
DISCLOSURE OF RATES FOR CERTAIN SERVICES OFFERED BY  
TELEPHONE AND CABLE COMPANIES  
Before the Committee on Energy and Technology  
March 20, 2012**

**Proposal:**

Section One of Raised Senate Bill No. 448 would require community antenna television companies, holders of a cable franchise authority and holders of a certificate of video franchise authority to make available for sale equipment necessary for customers to receive service from such providers. Section Two would require telephone companies, community antenna television companies, and holders of either a certificate of cable franchise or video franchise authority to disclose the rates and terms of services offered by such companies in plain language on their Internet.

**Comments:**

*Section One:* AT&T respectfully opposes Section One of the Raised Bill because, while well-intended, the legislation would actually be to the detriment of our customers. AT&T offers various packages for its video service that include set-top boxes at no additional charge to the customer. For instance, 100% of AT&T U-verse TV customers receive their first set-top box from AT&T at no additional charge, and 95% of our U-verse TV customers receive a DVR-equipped set top box from us at no additional charge. Some 60% of our customers receive their second box from us at no additional charge. The customer may pay an additional charge when they request additional boxes beyond those included in their package price. The costs charged for set-top boxes help to cover the initial costs of the equipment, maintenance or replacement of it when required (for as long as the customer has AT&T U-verse TV service), and software upgrades that are made to regularly enhance the functionality of the box and therefore our services.

When customers own, rather than lease equipment, they become responsible for the on-going maintenance, upgrades, and replacement costs which can be considerable.

When AT&T provides the set-top box, whether as part of the package or for an additional monthly fee in those cases where the customer requests additional boxes, AT&T includes all maintenance and repair/replacement, upgrades and enhancements at no additional charge to the customer as long as the customer has AT&T U-verse service. This enhances the customer's experience and provides more reliable and consistent service. The customer is also not required to be responsible to repair/maintain or replace their own equipment, nor is the customer responsible for software upgrades or ensuring that their equipment remains compatible with the latest U-verse TV services and features. In

addition, today we do not charge a customer when we dispatch a technician to their home to address a service issue – even if it includes replacing a box. If a customer owned a box and its malfunction was at the basis of a service disruption and subsequent dispatch of a technician, the customer would be responsible not only for replacing the box outright but also for the service call and dispatch of the technician.

We are continually improving and enhancing our video services and typically undertake major software upgrades to our service at least twice a year; these upgrades are “pushed out” over our Internet Protocol (IP) network to the boxes in our customers’ homes. Leasing charges help to cover the costs of these upgrades. Customers that owned their own boxes would still be responsible for the costs of these upgrades and for ensuring the compatibility of their equipment, so in all likelihood any savings from avoiding a monthly lease would be taken up by charges for software upgrades.

AT&T’s U-verse set-top boxes are not compatible with services offered by other providers. If a customer went to the expense of purchasing boxes from AT&T it could not take and use those boxes with cable or satellite services since our boxes and their functionality are unique to AT&T and not transferable.

The language in Section One also would not obligate satellite television providers to follow these same rules. Such providers have tens of millions subscribers and obligating only a few providers to these equipment provisions would provide an unfair advantage to the competitors to whom they would not apply.

***Section Two:*** From a practical standpoint AT&T has no outright objection to the requirements in Section Two of the Bill since we routinely make available information about our products and services available to our customers: it makes good business sense to do so. However, we are concerned with the language of the underlying section. Is this section meant to apply only to video services? If so, the words “telephone company” should be stricken since including those words would obligate AT&T to make information available on a much wider array of products. If the committee intends to include other services offered by AT&T, then it needs to increase the entities subject to this section to include all companies providing services in competition with AT&T; otherwise this section would provide an unfair advantage to some of our competitors.

**Conclusion:**

AT&T opposes Raised Senate Bill No. 448.